

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3088 – SB 3138

February 26, 2010

SUMMARY OF AMENDMENT (014497): Makes changes to Section 20 of original bill which are technical in nature; adds new language to Section 30 of original bill authorizing the chief legislative body of any city, special school district or county to set the minimum service retirement allowance payable with respect to credible service.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Less than \$100,000/Permissve

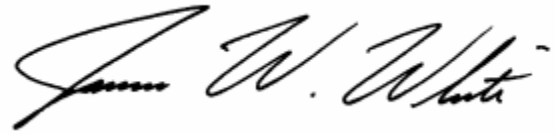
Assumptions applied to amendment:

- The amended language of Section 30 adds new language to Tenn. Code Ann. § 8-36-209(a) regarding the establishment of minimum service retirement allowances payable to certain local government retirees. The new language indicates that any minimum payable retirement allowances established by local government officials shall be established in accordance with Tenn. Code Ann. § 8-35-226.
- Tenn. Code Ann. § 8-35-226 (b)(4) indicates that the state shall realize no increased costs as a result of this section, and that all costs associated with retirement coverage for local government retirees, including administrative costs, shall be the responsibility of the city legislative body. Therefore, any increase to state expenditures as a result of this amendment is considered not significant.

- According to the Department of Treasury, the Retirement Division, this bill as amended could increase local government expenditures depending upon the election decisions made by local government officials. Any such increase is considered permissive and estimated to be less than \$100,000 per year statewide.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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